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20 September 1960

LAOS ?

I. The situation in Laos continues to drift, and no early solution to the conflict among the country's non-Communist elements is in prospect.

- II. The Savannakhet Revolutionary Committee, led by General Phoumi and
  Prince Boun Oum, is stepping up its war of nerves in the hope that it
  can force the resignation of the Souvanna Phouma government in Vientiane.
  - A. On at least four occasions in the past ten days Vientiane has been subjected to bursts of machine gun and mortar fire and planted explosives.
    - One such flurry succeeded in damaging the Vientiane waterworks, considerably reducing the town's water supply, which even at best is barely adequate.
    - 2. Lao officials in Vientiane are convinced that attacks have been based on Thai territory just across the Mekong River, heightening the bitterness already felt by Vientiane over Thai Marshal Sarit's sympathy for and suspected support of General Phoumi.
  - B. Phoumi's Radio Savannakhet is maintaining a steady drumbeat of psywar propaganda whose main theme is that Phoumi's forces will soon begin their assault on Vientiane.
  - C. The threatened attack on Vientiane appears, for the moment at
  - II. C. On 20 September, troops loyal to Phouni clashed with

    Vientiane troops in vicinity of Paksane; results are still

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- III. There are signs, however, that Phoumi's war of nerves is beginning to affect morale of Vientiane populace.
  - A. Town abounds with rumors which apparently are having increasingly unsettling effect.
  - B. Trenches are being built around some houses.
- IV. Meanwhile, Premier Souvanna Phouma is maneuvering to save his shaky government.
  - A. After dangling the olive branch before Phoumi for several days, he finally dismissed Phoumi and a Phoumi supporter from his government and asked the king to sign royal ordinance giving legal effect to this action.
    - 1. King as yet not known to have signed ordinance, which may reflect his known sympathy for Phoumi and distaste for Souvanna.
- V. The Communist Pathet Lao, taking advantage of the divisions in the Laotian army, have increased military activities in past two weeks.
  - A. Threat particularly serious in the northeastern frontier province of Sam Neua, where an estimated 2500 insurgents penetrated close to the town of Sam Neua, with its vital airfield.
    - 1. The local Laotian commanders claimed that the attacking force included both regular Pathet Lao units and Thai tribal elements trained and supported by Hanoi.
  - B. Situation has been eased by temporary cease fire ordered by Pathet Lao high command on 18 September.

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- Cease fire order carefully restricted to those areas loyal to Souvanna government, and although Sam Neua now listed by Pathets in that category they can at any time announce Sam Neua commander loyal to Phoumi and resume offensive.
  - commanders, but best guess is that they are in fact on Phoumi's side.
- VI. In the realm of propaganda, the Pathet Lao is giving support to the Souvanna regime in the latter's struggle against the "US imperialist-backed traitorous Phoumi-Boun Oum clique."
- VII. Sino-Soviet bloc commentary, meanwhile, has seized on the Phoumi revolt as another example of US intervention in Laos.
  - A. Moscow on 18 September charged US, "seeking a pretext for armed aggression against Laos" had "incited" the shelling of Vientiane by "mad aggressors of SEATO"--presumably Thailand--on 18 September.
  - B. Hanoi and Peiping take much the same line pointing to movement of US Seventh fleet units as "evidence" to support their propaganda thesis that the US plans to intervene in Laos.
  - C. Communists, who already have strong guerrilla assets in Laos, have not threatened direct intervention.
    - 1. Hanoi has strongly denied allegations that North Vietnamese troops were operating with the Pathet Lao.

- VIII. Our latest information is that King Savong has invited Lace' military leaders to meet in Luang Prabang in effort to solve crisis.
  - A. Most of participants would probably side with Phousi and could be expected to ask for Souvanna Phousa's resignation -- a "solution" the King himself desires.
  - B. However, latest word from Phouni camp is that Boun Oum has made counter-suggestion that meeting take place in Savannakhot.
    - Boun Oum's reasons unclear, but probably combination fear for participants' safety and intoxication with newly-achieved power.